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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में
रखा जा सके।

Separate paging is given to this Part in order that it may be filed
as a separate compilation

LOK SABHA

The following Bill was introduced in Lok Sabha on the 15th April, 1982 —

BILL No 50 of 1982

A Bill further to amend the Customs Tariff Act, 1975.

BE it enacted by Parliament in the Thirty-third Year of the Republic of India as follows:—

1 This Act may be called the Customs Tariff (Amendment) Act, 1982.

2. In the First Schedule to the Customs Tariff Act, 1975 (hereinafter referred to as the principal Act), in Chapter 73,—

Heading No.	Sub-heading No. and description of article	Rate of duty		Duration when rates of duty are protective
		Standard	Preferential Areas	
(1)	(2)	(3)	(4)	(5)

(a) in Heading No. 73.15, for Sub-headings (1) and (2), the following Sub-headings shall be substituted, namely:—

“(1) Not elsewhere specified . . . 300% . . .

(2) Coils for re-rolling, bars (including bright bars), rods, wire rods, wire, circles, angles, shapes and sections, strips, sheets and plates, of stainless steel . . . 300% . . .

(b) for Heading Nos. 73.16, 73.17/19, 73.20, 73.21 and 73.22/23 the following Headings shall be substituted, namely:—

Short title

Amendment of the First Schedule

51 of 1975.

(1)	(2)	(3)	(4)	(5)
"73.16	Railway and tramway track construction material of iron or steel, the following : rails, check-rails, switch blades, crossings (or frogs), crossing pieces, point rods, rack rails, sleepers, fish plates, chairs, chair wedges, sole plates (base plates), rail clips, bedplates, ties and other material specialised for joining or fixing rails :			
	(1) Not elsewhere specified	40%		..
	(2) Of stainless steel	300%		.
73.17/19	Tubes and pipes and blanks therefor, of iron or steel :			
	(1) Other than of stainless steel :			
	(i) Not elsewhere specified	60%		..
	(ii) Drilling tubes and pipes and blanks therefor	40%	..	..
	(iii) Tubes and pipes for boilers falling within Heading No. 84.01/02 and blanks therefor	40%		.
	(iv) Tubes and pipes sheathed or lined with corrosion-resisting material, such as glass, rubber and plastic	40%		.
	(2) Of stainless steel	300%	.	
73.20	Tube and pipe fittings (for example, joints, elbows, unions and flanges) of iron or steel :			
	(1) Not elsewhere specified	60%		..
	(2) Of stainless steel	300%		..
73.21	Structures and parts of structures (for example, hangers and other buildings, bridges and bridge-sections, lock-gates, towers, lattice masts, roofs, roofing frame-works, door and window frames, shutters, balustrades, pillars and columns), of iron or steel ; plates, strips, rods, angles, shapes, sections, tubes and the like, prepared for use in structures, of iron or steel :			
	(1) Not elsewhere specified	40%	.	.
	(2) Of stainless steel	300%	..	..
73.22/23	Reservoirs, tanks, vats, casks, drums, cans, boxes and similar containers for any material (other than compressed or liquefied gas), of iron or steel:			
	(1) Not elsewhere specified	60%	..	..
	(2) Of stainless steel	300%	..	..";
(c) for Heading Nos. 73.25, 73.26, 73.27/28 and 73.29, the following Headings shall be substituted, namely:—				
"73.25	Stranded wire, cables, cordage, ropes, plaited bands, slings and the like, of iron or steel wire, but excluding insulated electric cables:			
	(1) Not elsewhere specified	60%	..	
	(2) Of stainless steel	300%	..	

(1)	(2)	(3)	(4)	(5)
73-26	Barbed iron or steel wire; twisted hood or single flat wire, barbed or not, and loosely twisted double wire, of kinds used for fencing, of iron or steel:			
	(1) Not elsewhere specified	60%	..	..
	(2) Of stainless steel	300%	..	..
73-27/28	Gauze, cloth, grill, netting, fencing, reinforcing fabric and similar materials, of iron or steel wire; expanded metal of iron or steel:			
	(1) Not elsewhere specified	60%	..	.
	(2) Of stainless steel	300%	..	..
73-29	Chain and parts thereof, of iron or steel:			
	(1) Other than of stainless steel:			
	(i) Not elsewhere specified	60%	..	
	(ii) Mooring chains	40%		
	(2) Of stainless steel	300%		..";
(d) for Heading No. 73.33|40, the following Heading shall be substituted, namely:—				
"73-33/40	Other articles of iron or steel:			
	(1) Not elsewhere specified	100%		
	(2) Of stainless steel	300%		.."

3. The amendment made by clause (a) of section 2 in Heading No. 73.15 of the First Schedule to the principal Act, in so far as it relates to the standard rate of duty on circles, angles, shapes and sections of stainless steel shall be deemed to have, and to have always had, effect on and from the 1st day of January, 1981, but during the period commencing from that day and ending with the date of introduction of the Customs Tariff (Amendment) Bill, 1982 in the House of the People—

(a) such circles, angles, shapes and sections shall be deemed to have been exempt from so much of the duty of customs leviable thereon under the said First Schedule as amended by the said amendment as is in excess of the rate of 220 per cent. *ad valorem*;

(b) the rate of auxiliary duty of customs chargeable on such circles, angles, shapes and sections shall be, and shall be deemed to have been, the same as that chargeable on sheets falling under Sub-heading No. (2) of the said Heading No. 73.15.

Amendment with respect to certain stainless steel articles to have retrospective effect

Declaration under the Provisional Collection of Taxes Act, 1931.

It is hereby declared that it is expedient in the public interest that the provisions of clause 2 of this Bill shall have immediate effect under the Provisional Collection of Taxes Act, 1931.

STATEMENT OF OBJECTS AND REASONS

Iron and steel and articles thereof are covered under Chapter 73 of the First Schedule to the Customs Tariff Act, 1975. Heading No. 73.15 of this Chapter relates to the alloy steel and high carbon steel; stainless steel, being alloy steel, falls under this Heading. Stainless steel plates, sheets and strips fall under Sub-heading (2) of Heading No. 73.15. By virtue of exemption notification, the effective rate of basic customs duty on such sheets (except when used for certain specified purposes) is 220 per cent. A further 10 per cent. is chargeable as auxiliary duty. The stainless steel articles, not elsewhere specified [other than those falling under Sub-heading (2)] fall under Sub-heading (1) of Heading No. 73.15. The tariff rate of customs duty on such articles is 60 per cent. plus 25 per cent. auxiliary duty. The difference in duty under the two Sub-headings is so large that attempts have been made by some importers to manipulate the description or form of the articles in such a way as to claim a lower rate of duty as has recently happened in the case of stainless steel sheets imported in the guise of 'folded angles' and 'circles'. In both the above types of cases, the Customs authorities held the view that the goods were nothing but sheets attracting the higher of the two rates of duty. This position, however, has been challenged in the various Courts. The release of the consignments in terms of the interim orders of the Courts has resulted in the deferment of substantial amount of revenue due to the Government.

2. With a view to making the intention clear and prevent the abuses of the type mentioned above, it is proposed to amend Heading No. 73.15 and also certain other Heading Nos. falling under Chapter 73 of the First Schedule to the Customs Tariff Act, 1975. The proposed amendment to Heading No. 73.15 in so far as it relates to angles, shapes, sections and circles of stainless steel is sought to be given retrospective effect from 1st January, 1981 with suitable safeguard so as to ensure that the effective rates of duty on such angles, shapes, sections and circles are the same as those applicable from time to time to stainless steel sheets.

3. The Bill seeks to achieve the above objects.

NEW DELHI;
The 13th April, 1982.

PRANAB MUKHERJEE.

PRESIDENT'S RECOMMENDATION UNDER ARTICLE 117 OF THE
CONSTITUTION OF INDIA

[Copy of letter No. 527/1/82-CUS(TU), dated the 14th April, 1982 from Shri Pranab Mukherjee, Minister of Finance to the Secretary, Lok Sabha.]

The President, having been informed of the subject matter of the Bill further to amend the Customs Tariff Act, 1975, recommends under clause (1) of article 117 of the Constitution of India, the introduction of the Bill in Lok Sabha.

AVTAR SINGH RIKHY,
Secretary.

